GOVERNMENT OF INDIA
DEFENCE
LOK SABHA

UNSTARRED QUESTION NO:2273
ANSWERED ON:11.12.2015
Modernization of Defence Forces
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Will the Minister of DEFENCE be pleased to state:

(a) whether the Government has fully utilized the budget allocated for modernization of the defence forces during the year 2014-15;

(b) if so, the details of the budget allocated for the said year and if not, the reasons therefor, force-wise;

(c) the details of revenue expenditure of the defence forces during the last three years and the current year along with the average lifetime cost to the Government for maintaining manpower in the Army;

(d) whether non-clearance of acquisition proposals of the defence forces has led to inordinate delay in modernization of defence forces, if so, the details thereof and if not, the other reasons therefor; and

(e) the steps taken for encouraging indigenous research and development and speedy clearance of acquisition proposals and modernization of the defence forces of the country?

Answer

MINISTER OF STATE (RAO INDERJIT SINGH)
IN THE MINISTRY OF DEFENCE

(a) to (e): A statement is attached.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA UNSTARRED QUESTION NO. 2273 FOR ANSWER ON 11.12.2015

(a) & (b): Details of the amount allocated for modernization of the defence forces during the year 2014-15 is as follows:-
(` in crores)
Year Budget
Estimates Revised Estimates Actual Expenditure Savings Savings as % of Revised Estimates

2014-15 75,148.03 66,151.73 65,862.38 289.35 0.44

Only a minor sum of ` 289.35 crore (0.44% of allocation) remained unspent during 2014-15 as a cumulative effect of small savings under various heads of account. However, Service −wise details of the expenditure during the year 2014-15 are as follows:-
(` in crores)
Service Revised Estimates for the year 2014-15 Actual Expenditure
Army 16,927.35 13,867.40
Navy 17,075.24 20,905.54
Jt. Staff 330.75 280.05
Air Force 31,818.39 30,809.39
Total 66,151.73 65,862.38

(c) (i): Details of revenue expenditure of the defence forces during the last three years and the current year are as follows:-
(` in crores)
Year Budget
Estimates Revised
Estimates Actual Expenditure
2012-13 1,13,828.66 1,08,924.89 1,11,276.66
2013-14 1,16,931.41 1,24,799.89 1,24,374.30
2014-15 1,34,412.05 1,40,404.76 1,36,807.20
2015-16 1,52,139.00 Under process 95,940.67
(Expenditure upto November, 2015)

(ii) The Annual Per Capita recurring cost (to include Pay and Allowances, Conservancy & Hot Weather, Rations & Fuel Oil and

Lubricants, Accommodation, Transportation, Medicare, Clothing & Equipment, Training Cost and Miscellaneous Cost) in respect of Army personnel is as follows:-

(a) Officers: - ` 11,96,999.00- ` 20,83,117.00 (as per rank profile)

(b) Junior Commissioned Officers (JCOs):- ` 7,88,687.00

(c) Other Ranks (ORs):- ` 5,26,064.00

(d) & (e): Modernization of the Defence Forces is a continuous process based on threat perception, operational challenges, technological changes and available resources. The process is based on a 15 year Long Term Integrated Perspective Plan (LTIPP), Five Year Service Capital Acquisition Plan (SCAP) and an Annual Acquisition Plan (AAP).

Government constantly reviews the security scenario and accordingly decides to induct appropriate defence equipment to keep the armed forces in a state of readiness and remaining equipped with modern weapon systems which is undertaken through procurement from various indigenous as well as foreign vendors.

Capital Procurement of Defence Equipment is guided by Defence Procurement Procedure (DPP). DPP- 2013 contains timelines for procurement process. It mandates higher preference to the 'Buy (Indian)' Buy & make (Indian)' and Make 'categorization in Capital Procurement.' The steps taken for speedy clearance of Acquisition proposals include finalization of Service Qualitative Requirements before seeking the Acceptance of Necessity, reduction of validity of Acceptance of Necessity to one year, delegation of Financial Powers, decisions in a collegiate manner and imposition of liquidated damages on vendor for delay in execution of contracts.

Indigenization of platforms, weapon systems, sensors and equipments used by Defence Services is undertaken by DRDO under its Mission Mode (MM) category of project. As on date, DRDO has ongoing MM projects worth `36220 Crore. To support sub-systems of these projects and to undertake futuristic technology development, DRDO has ongoing projects worth `7243 Crore and these are known as technology development projects.

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